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EX PARTE FILING FILED

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November 28, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: RFP Tariff Filing, SWBT Tariff No. 73
Transmittal Nos. 2433 and 2449, CC Docket No. 95-140

Dear Mr. Caton:

In accordance with the Commission's rules governing ex parte presentations, please be advised that today, Thomas Pajda and the undersigned representing Southwestern Bell Telephone Company (SWBT) met with Richard Welch, Legal Advisor to Commissioner Chong to discuss SWBT's position with respect to SWBT's RFP tariff filing.

Questions regarding this issue may be directed to me on 326-8860.

Sincerely,

Attachment

cc: Richard Welch

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Southwestern Bell Telephone Company

SWBT Tariff No. 73, Transmittal Nos. 2433 and 2449

RFP Tariff Filing

Background

02/27/95 - SWBT filed Transmittal No. 2433 in response to a Request For Proposal (RFP) from MCI, for a "competitive response" to replace DS-3s between specific points in SWBT's service area.

03/6/95 - SWBT received notification from MCI that the bid was awarded to another vendor.

04/29/95 - SWBT filed Transmittal No. 2449 to amend the tariff language in Transmittal No. 2433 to clarify the general availability of this offering to similarly situated customers.

06/26/95 - Common Carrier Bureau released an order suspending the tariff for five months and initiating an investigation.

08/25/95 - CCB released an order designating issues for investigation.

09/11/95 - SWBT filed its Direct Case in response to the designation order.

09/25/95 - Oppositions filed against SWBT's Direct Case.

10/10/95 - SWBT filed rebuttal to oppositions.

11/13/95 - SWBT filed Transmittal No. 2516 to defer the RFP tariff to December 1, 1995, to allow the CCB time to prepare their decision.

There Can Be No Dispute that this is a Competitive Case. SWBT Meets the Requirements of the "Competitive Necessity" Test.

- Competitive alternative: MCI's RFP requested a competitive response, and awarded the bid to another vendor.

- Undue discrimination:

The application-specific arrangement will be available to similarly situated customers (customers served from exactly the same central offices).

Customers in other situations can have a similar rate developed by confirming the presence of competition.

Different rates already exist in the marketplace.

- Reasonable rates:

The RFP filing makes the marketplace more, not less, competitive.

Since RFP tariff rates will be lower than average tariff rates, consumers can only benefit.

There cannot be harm to any customers as SWBT is not seeking to raise any other rates.

The Commission Should Allow the RFP Tariff to Become Effective on December 1, 1995

SWBT has demonstrated that competition exists: MCI's RFP was awarded to another vendor.

SWBT's filing is a reasonable and limited response to the competition facing SWBT in this specific instance. SWBT's competitors utilize application specific pricing without the scrutiny to which SWBT would be subject in its RFP tariff.

It is not necessary for the Commission to speculate on future RFP tariff filings. As additional cases occur, SWBT will amend the RFP tariff to justify "competitive necessity". The Commission remains fully able to reject any such amendment if SWBT cannot demonstrate competitive necessity.

The marketplace is dictating the RFP process -- "competitive necessity" is the appropriate test.

The RFP process will enhance the competitive process in access markets and send correct economic signals to the marketplace.

SWBT must be allowed to respond quickly and decisively to competition when and where it occurs.

SWBT has already lost more than 30% of its high cap market in Dallas and Houston.

In Missouri, over 35 companies are authorized to provide private line and special access services in competition with SWBT; a total of 421 companies are licensed to provide some type of service in competition with SWBT.

In St. Louis, several competitors, including MFS, Digital Teleport and TCG have placed extensive miles of fiber

Most of SWBT's competitors use ICB pricing which customers have come to expect. In fact, in SWBT's territory alone, MFS has over 440 ICBs.

SWBT has asked for no more pricing flexibility than is necessary.

SWBT's filing is in the public interest, and is consistent with Commission policy.



MCI Telecommunications
Corporation
Southern Carrier Relations/ACM
MCI Building
100 South Fourth Street
St. Louis, Missouri 63102

David Vaughn
Southwestern Bell Telephone
1010 Pine
St. Louis, MO 63102

Dear David:

MCI has completed the review of the proposals submitted in response to our request for proposal for service in Topeka, KS for 6 DS3s as designated in project number SW9502.

MCI appreciates Southwestern Bell Telephone's responsiveness to this request, however at this time we have elected to utilize the services of another vendor.

Thank you for your interest in providing service to MCI.

Sincerely,

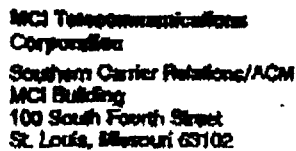

Laura K. Pickard
Carrier Management

Mr. Vaughn
RECEIVED

Mr. Baker
Mr. Felt
Mr. Goss
Mr. Hildner
Mr. Jones
Mr. Kline
Mr. Ladd
Mr. Miller
Mr. Smith
Mr. Tamm
Mr. Trotter
Mr. Wainwright
Mr. White

FILE
REPLY ONE

75-1000 3/6/95



David Vaughn
Southwestern Bell Telephone
1010 Plac
St. Louis, MO 63102

MCI has completed the review of the proposals submitted in response to our request for proposal for service in Olivette, MO for 15 DSAs as designated in project number SW-5901.

Thank you for your interest in providing service to MCL

Laura K. Pickorel
Carrier Management

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